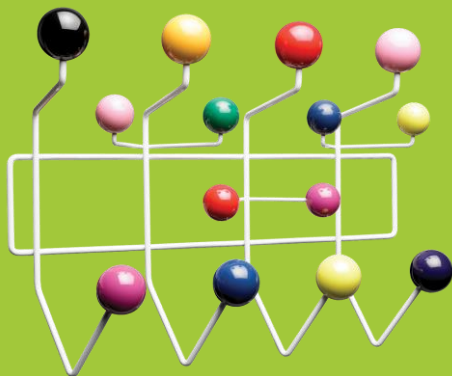


Integration and inclusion of older workers on the labour market and the Europe 2020 strategy perspective

EZA-HIVA-research project 2015-2016

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An interesting EZA research project!

“Integration and inclusion of vulnerable groups on the labour market in Europe”

- EZA training programme 2015/2016
- Europe 2020 strategy on the integration and inclusion on the labour market
- Research project with HIVA
(Research institute for Work and Society of the University of Leuven/Belgium)
- Focus: set of specific vulnerable groups on the labour market
- Accent: (re-)integration in enterprises

Overview

- EZA-HIVA research project
- Definition of vulnerable groups
- An inclusive labour market
- Older workers

Overview

- EZA-HIVA research project
- Definition of vulnerable groups
 - Definition
 - Focus EZA-HIVA report
- An inclusive labour market
- Older workers

DEFINITION OF VULNERABLE GROUPS

Definition of vulnerable groups

Vulnerable groups on the labour market =

- Groups with a lower employment rate than the country average
 - country differences
- And/or, when in employment,
 - Risks for more precarious work
 - Segregation at both the sectoral and occupational levels ('glass ceilings' and 'glass walls')

EZA-HIVA report: focus on

- People with disabilities/chronic diseases
 - Young and older people
 - Migrants and ethnic minorities
 - The gender issue (women)
-
- Risks & prevention of in-work poverty and group of working poor
 - Position on the labour market: facts, causes & consequences
 - Specific actions with involvement of workers organisations

Overview

- EZA-HIVA research project
- Definition of vulnerable groups
- An inclusive labour market
 - EU 2020 strategy
 - EU-policies on inclusive labour markets
 - EU social partners framework agreement on the labour market
- Older workers

AN INCLUSIVE LABOUR MARKET

Starting point: the EU-policy on inclusive labour markets

Fact:

- Different vulnerable groups on the European labour markets:
 - Higher unemployment rate / lower activity rate
 - Higher risks of precarious work
 - Segregation

*An inclusive labour market allows and encourages
all people of working age to participate in paid work,
especially vulnerable and disadvantaged people*

EU 2020 strategy

2 targets = directly linked to inclusive labour markets:

- “By the year 2020, 75% of the 20-64 year-olds to be employed”
→ generalised participation on the EU-labour market
- “At least 20 million fewer people in or at risk of poverty and social exclusion”
→ work is the most effective way for combating poverty and social isolation

EU 2020 strategy

Promote inclusive labour markets **to**

- maximize full potential
- demographic evolutions
- growing diversity
- sustain social protection systems

This means

- Make it easier (re-)join
- Remove disincentives
- Quality jobs and prevent in-work poverty
- Stay in work & advance career

EU-policy on inclusive labour markets

Achieving an inclusive labour market is:

- a multi-faceted challenge
- a key concern for
 - public authorities
 - employers
 - and employees (and their representatives)
 - intermediate organisations,....

EU-policy on inclusive labour markets

Challenges

- Demographical changes, globalization and migration, pressure on natural resources,...
- And also: financial and economical crisis

→ EU 'Social investment Package' 2013: **speed up**

< Commission recommendation of 3 October 2008

on the active inclusion of people excluded from the labour market

EU-policy on inclusive labour markets

“All member states should organise and implement integrated active inclusion policies”

- Adopt support arrangements for persons fit for work
 - to enter or re-enter in employment
 - to stay in employment
- in accordance with common principles & practical guidelines

Commission Recommendation of 2008

Active labour market policies (ALMPs)

- Support access and return to employment
- Avoid unemployment becomes long term

3 main categories

- Personalised support and guidance (PES)
- Learning and Training schemes, lifelong learning
- Employment subsidies

2013: follow up on the 2008-recommendation

- Lowest long term unemployment -> highest level of participation in ALMP
- stronger trade unions -> more developed ALMPs

Conclusion:

- Labour markets are not yet inclusive
- Most successful EU MS: policy similar to active inclusion principles

⇒ More efforts on ALMPs are necessary

EU Social partners framework agreement

= Autonomous framework agreement on inclusive labour markets
(ETUC, BUSINESSEUROPE, UEAPME and CEEP, 25 March 2010):

- access, return, retention and development on the labour market
 - to achieving full integration of individuals on the labour market:
 - difficulties in entering, returning to or integrating into the labour market
 - at risk of losing their job
- ⇒ Member States: implement comprehensive policies with specific measures

Overview

- EZA-HIVA research project
- Definition of vulnerable groups
- An inclusive labour market
- Older workers
 - Facts and figures
 - Causes
 - Consequences
 - Towards actions for elderly people
 - Policy measures at national level
 - Policy measures at company/sector level
 - Social partners actions

THE ELDERLY ON THE LABOUR MARKET (AGE 55+)

Facts and figures: older workers in Europe

- ageing population
- declining activity and employment (of 55+)

⇒ **Target:** raising of the employment rate through extending working life

Employment rate

In 2014:

- average employment rate
55-64 years = 51,8 %
- Total employment rate =
64,8%

After crisis

- Older: employment rate
increasing or maintained
- Continue working

AGE	From 15 to 64 years	From 55 to 64 years	65 years or over
GEO/TIME	2014	2014	2014
European Union (28 c	64,8	51,8	5,3
Belgium	61,9	42,7	2,3
Bulgaria	61,0	50,0	3,8
Czech Republic	69,0	54,0	4,9
Denmark	72,8	63,2	7,1
Germany (until 1990	73,8	65,6	5,8
Estonia	69,6	64,0	10,5
Ireland	61,7	53,0	9,8
Greece	49,4	34,0	2,5
Spain	56,0	44,3	1,6
France	63,8	46,9	2,4
Croatia	54,6	36,2	3,0
Italy	55,7	46,2	3,7
Cyprus	62,1	46,9	7,2
Latvia	66,3	56,4	6,9
Lithuania	65,7	56,2	5,7
Luxembourg	66,6	42,5	4,0
Hungary	61,8	41,7	1,8
Malta	62,3	37,7	5,3
Netherlands	73,1	59,9	7,3
Austria	71,1	45,1	5,2
Poland	61,7	42,5	4,7
Portugal	62,6	47,8	11,7
Romania	61,0	43,1	10,8
Slovenia	63,9	35,4	6,7
Slovakia	61,0	44,8	1,9
Finland	68,7	59,1	5,7
Sweden	74,9	74,0	9,4
United Kingdom	71,9	61,0	10,1
Iceland	81,7	83,6	36,0
Norway	75,2	72,2	10,9
Switzerland	79,8	71,6	11,7
Former Yugoslav Rep	46,9	38,6	1,9
Turkey	49,5	31,4	11,2

Activity rate

In 2014: Lower activity rate

- 15-64 years = 72,3%
- 25-54 years = 85,5%
- 55-64 years = 55,9%

From age 55: withdrawal

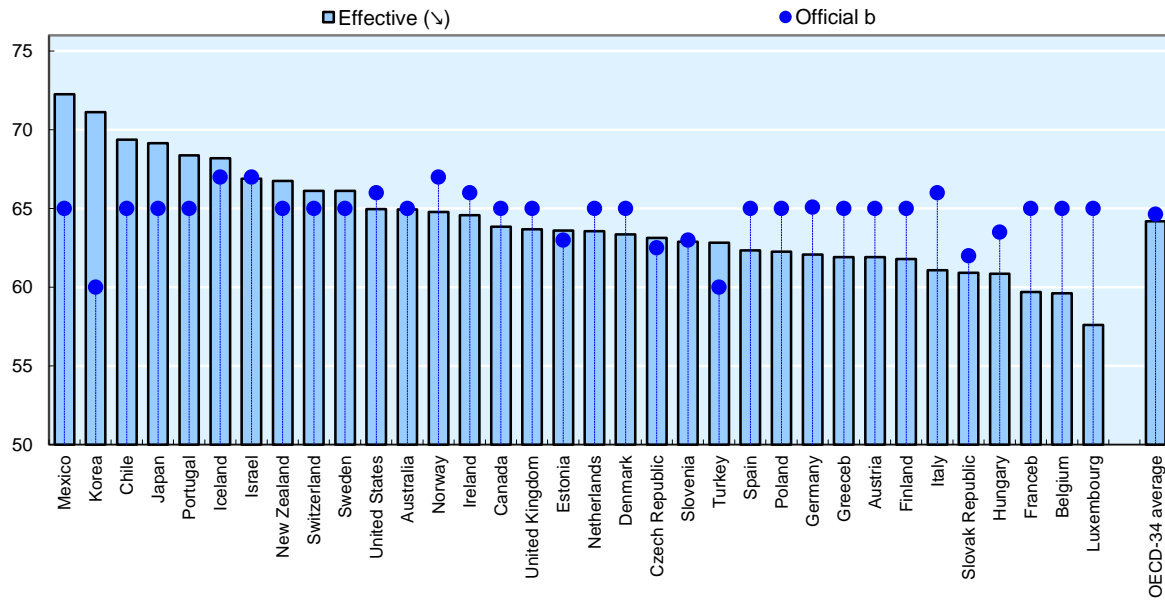
- Women more & earlier
- Related with retirement schemes and habits

AGE	From 15 to 64 years	From 55 to 64 years	65 years or over
GEO/TIME	2014	2014	2014
European Union (28 c	72,3	55,9	5,4
Belgium	67,7	45,1	2,3
Bulgaria	69,0	56,6	4,0
Czech Republic	73,5	56,8	5,0
Denmark	78,1	66,4	7,1
Germany (until 1990	77,7	69,1	5,8
Estonia	75,2	67,7	10,8
Ireland	69,8	58,4	9,9
Greece	67,4	41,1	2,8
Spain	74,2	55,4	1,7
France	71,1	50,7	2,5
Croatia	66,1	41,0	3,2
Italy	63,9	48,9	3,7
Cyprus	74,3	56,0	7,3
Latvia	74,6	62,6	7,0
Lithuania	73,7	63,0	5,8
Luxembourg	70,8	44,5	4,1
Hungary	67,0	44,6	1,9
Malta	66,3	40,3	5,4
Netherlands	79,0	64,9	7,7
Austria	75,4	46,9	5,3
Poland	67,9	45,6	4,8
Portugal	73,2	55,3	11,9
Romania	65,7	44,6	10,8
Slovenia	70,9	38,4	6,7
Slovakia	70,3	50,1	2,0
Finland	75,4	63,8	5,8
Sweden	81,5	78,2	9,6
United Kingdom	76,7	63,6	10,3
Iceland	86,0	86,2	36,7
Norway	78,0	73,1	11,0
Switzerland	83,8	74,0	11,7
Former Yugoslav Rep	65,3	49,9	2,0
Turkey	55,1	33,4	11,4

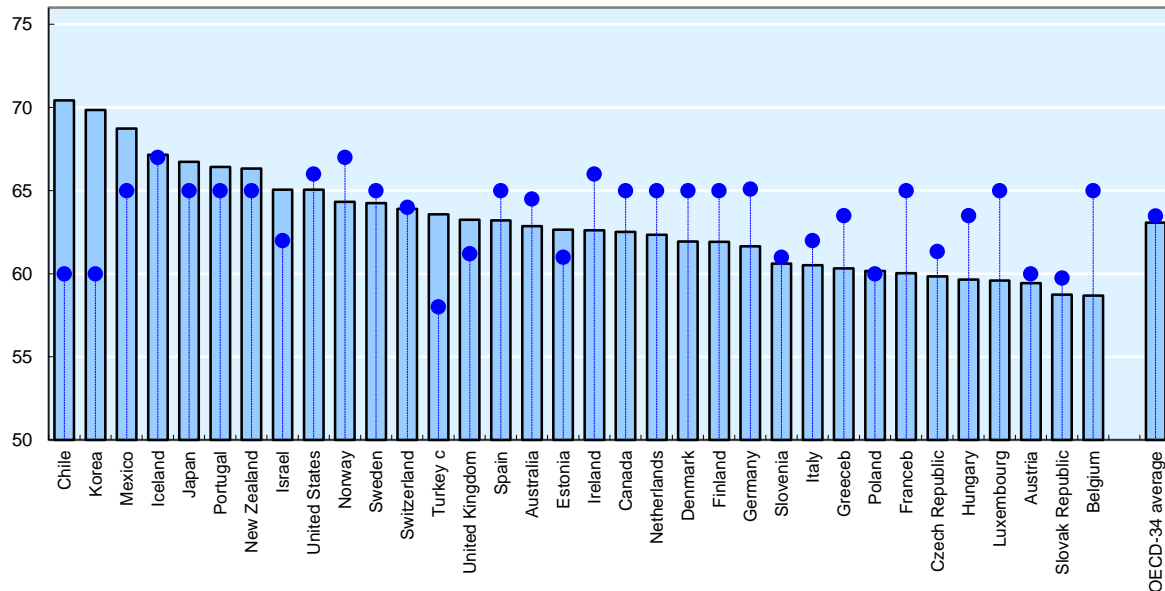
Retirement rate

Average effective rate of retirement often **below** the official retirement age

Average effective retirement rate 2007-2012 for **men**



Average effective rate of retirement 2007-2012 for **women**



Unemployment rate

If employed:

- low unemployment risk

If unemployed

- Low chances on re-employment
- ~ long-term unemployment or inactivity
- ~ difficulties to (re-)enter labour market

AGE	From 15 to 64 years	From 55 to 64 years	From 65 to 74 years
GEO/TIME	2014	2014	2014
European Union (28 c	10,4	7,4	2,3
Belgium	8,6	5,4	:
Bulgaria	11,5	11,7	6,0
Czech Republic	6,2	4,9	1,4
Denmark	6,8	4,8	:
Germany (until 1990	5,1	5,1	1,0
Estonia	7,5	5,4	:
Ireland	11,5	9,3	:
Greece	26,7	17,2	12,3
Spain	24,6	20,0	5,7
France	10,3	7,5	5,3
Croatia	17,5	11,6	5,7
Italy	12,9	5,5	1,5
Cyprus	16,3	16,3	:
Latvia	11,1	9,9	:
Lithuania	10,9	10,7	:
Luxembourg	5,9	4,3	:
Hungary	7,8	6,4	:
Malta	5,9	6,5	:
Netherlands	7,5	7,7	5,7
Austria	5,7	3,8	:
Poland	9,1	6,8	:
Portugal	14,5	13,5	:
Romania	7,1	3,3	:
Slovenia	9,9	7,8	:
Slovakia	13,2	10,6	:
Finland	8,8	7,3	:
Sweden	8,1	5,4	2,8
United Kingdom	6,3	4,0	2,2
Iceland	5,1	3,0	:
Norway	3,6	1,3	0,7
Switzerland	4,7	3,3	0,8
Former Yugoslav Rep	28,1	22,7	:
Turkey	10,1	6,0	2,4

Causes of early retirement

- **push factors**
= negative elements that encourage people to retire early
F.e. lack of adapted physical working conditions, health issues, limited career perspectives, prejudices, employers decisions
- **pull factors**
= positive elements that make retirement attractive
F.e. low standard retirement age & attractive early retirement schemes, free time, autonomy, less financial needs

But

- Individual differences and preferences
- Diminish early retirement: actions needed on pull & push factors

Causes of limited access to labour market (re-employment)

- Wage structure
 - Progressive
 - Additional days off
- Discrimination and prejudices
 - Direct & indirect age discrimination (age criteria in vacancies, ...)
 - Age stereotyping (however countered by research)
- High competition on labour market (crisis)

Consequences

Consequences of lower employment rate of older cohorts on the labour market:

- Higher dependency rate on the younger, active population
- Higher strain on the social security system

⇒ Need to encourage ageing generation to **stay** in the labour market

Towards actions for elderly people

But: collective and individual early retirement measures: originally promoted to create more jobs (for youth)

⇒ **dilemma for policy makers**

- address high youth unemployment rates
- or
- Address labour market disadvantage of older workers
- And prolong working life

Need: intergenerational perspective

Actions focusing on **2 target groups**

- Employed elderly

STAYING IN EMPLOYMENT

- Unemployed elderly

**RE-EMPLOYMENT, AVOIDING
UNEMPLOYMENT OR INACTIVITY**

Actions focussing on **employers**

⇒ **Actions**

- On different levels
- By different actions

Policy measures on national level

Staying in employment

- mitigating push factors
 - reducing fiscal of social security contributions
 - quota system for downsizing
 - subsidising for investment in modifications
 - ...
- mitigating pull factors
 - gradually raising the imposed retirement age
 - slowing down voluntary early retirement provisions
 - ...

Policy measures on national level

Re-employment of the unemployed/inactive

- Subsidies, reducing fiscal or social security contributions
- Levelling off seniority based pay concepts
- Subsidies and support adaptations of the working environment and equipment
- Legislation, regulations, awareness raising campaigns
- Making work more and benefit receipt less attractive
- ALMPs targeted on the elderly unemployed/inactive
- ...

Policy measures at company/sectoral level

Staying in employment: mitigating push factors

- Attention for prevention and ergonomics
 - Health protection and promotion
 - Workplace design, adapted working conditions
- Attention for employment and career perspectives for older workers
 - Other roles and functions
 - Life-long learning and training
 - Age management and generation management

Policy measures at company/sectoral level

Re-employment of the unemployed/inactive:

- Awareness & fight against prejudices and discrimination
- Positive actions
- No age limits in job advertisements
- Objective selection process
- Knowledge of public programmes and measures
- Adaptations of the working environment and equipment
- ...

Policy measures at company level

Potential benefits for the company

- extra experience and skills
- cost containment when investing in skills and health promotion
- Retaining avoids expensive loss of skills & may increase market share
- intergenerational solidarity and work motivation

Social partner actions

Most important task =

avoiding perverse effects of the extended working life policies

- Staying at work longer needs to be possible in good circumstances!
 - Make jobs workable
 - Retain older workers as long as possible

And

- When becoming unemployed, the chances of re-employment need to be higher!
 - awareness raising campaigns on prejudices & discrimination
 - employers and employees support
 - focus on work-to-work-strategies

Social partner actions

For all vulnerable groups on the labour market

- Existing inequalities and vulnerabilities of certain groups may be reproduced **when social partners do not have explicit interests** in catering for these groups and inequalities
- finding best mix of private and public support and protection for various groups, possibility in differentiating
- well-designed and tailored combinations of sticks, carrots as well as sermons



**THANK YOU FOR YOUR
ATTENTION**